

DECEMBER 1994 DISCOUNT SHIPMENT SUMMARY VOLUME & SHARE

Revised as of 1/11/95

| | VOLUME | | | | VOLUME % CHANGE | | | |
|-----------|--------|--------|---------|---------|-----------------|--------|--------|--------|
| | DEC. | 3MM | YTD | 12MM | DEC. | 3MM | YTD | 12MM |
| Industry | 13,019 | 38,720 | 159,298 | 159,298 | -12.0% | -6.0% | -6.1% | -6.1% |
| PM | 3,147 | 10,363 | 42,271 | 42,271 | -32.0% | -10.6% | -15.2% | -15.2% |
| RJR | 4,128 | 12,003 | 52,789 | 52,789 | -14.1% | -13.3% | -15.0% | -15.0% |
| B&W | 2,767 | 8,095 | 33,342 | 33,342 | -3.1% | -6.1% | 3.4% | 3.4% |
| Lorillard | 124 | 386 | 1,573 | 1,573 | 10.5% | 13.4% | 5.9% | 5.9% |
| American | 1,955 | 5,806 | 20,830 | 20,830 | 27.7% | 32.8% | 29.0% | 29.0% |
| Liggett | 899 | 2,066 | 8,493 | 8,493 | 3.1% | -15.7% | 7.4% | 7.4% |

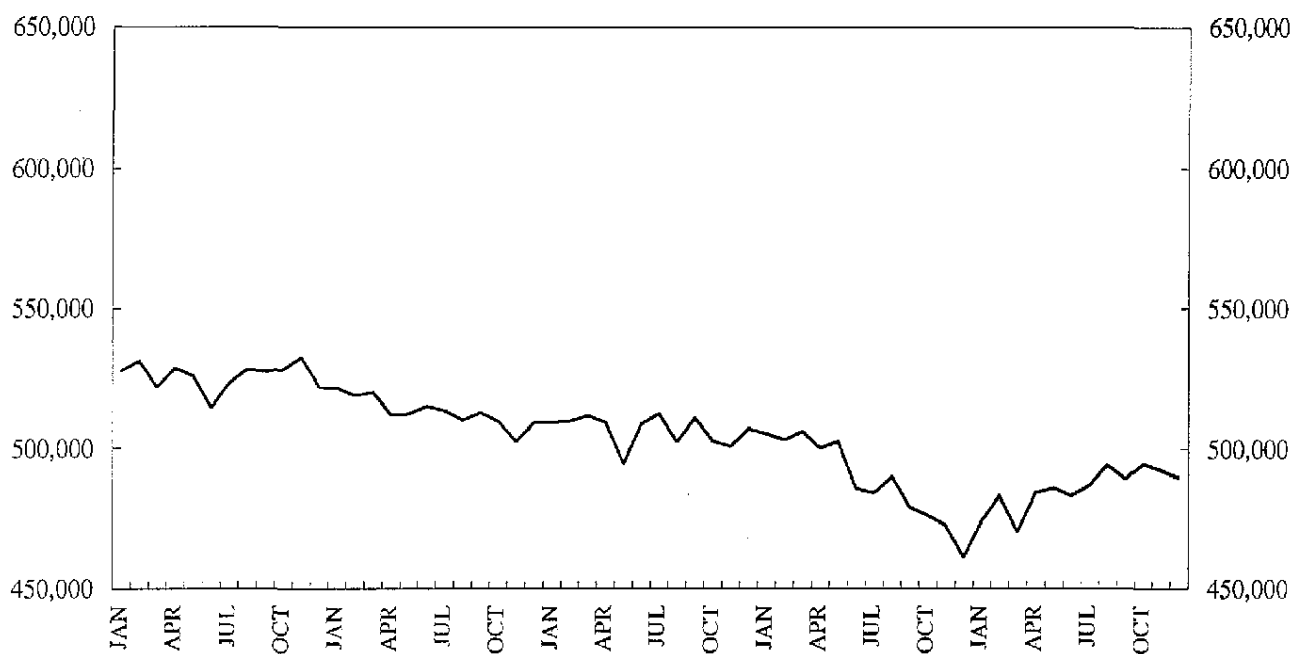
| | SHARE | | | | SHARE CHANGE | | | |
|-----------|-------|-------|-------|-------|--------------|-------|-------|-------|
| | DEC. | 3MM | YTD | 12MM | DEC. | 3MM | YTD | 12MM |
| PM | 24.18 | 26.76 | 26.54 | 26.54 | -7.08 | -1.35 | -2.83 | -2.83 |
| RJR | 31.71 | 31.00 | 33.14 | 33.14 | -0.75 | -2.58 | -3.45 | -3.45 |
| B&W | 21.25 | 20.91 | 20.93 | 20.93 | 1.95 | -0.01 | 1.94 | 1.94 |
| Lorillard | 0.95 | 1.00 | 0.99 | 0.99 | 0.19 | 0.17 | 0.11 | 0.11 |
| American | 15.02 | 15.00 | 13.08 | 13.08 | 4.67 | 4.39 | 3.56 | 3.56 |
| Liggett | 6.90 | 5.34 | 5.33 | 5.33 | 1.01 | -0.61 | 0.67 | 0.67 |

* Based on MSA Total US Database

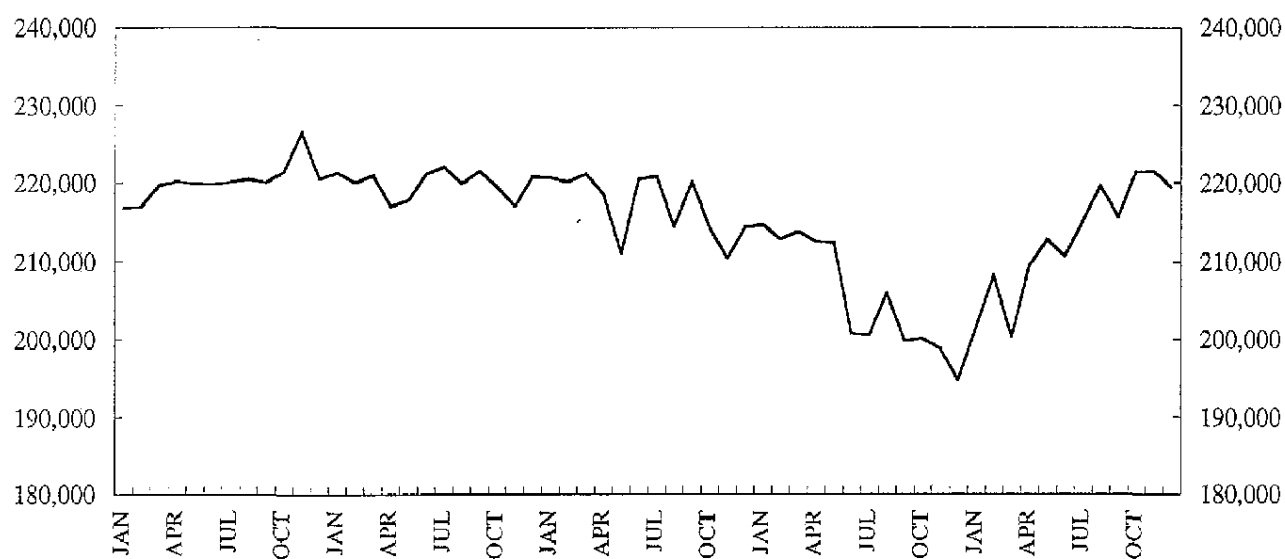
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MonthDisc 1/11/95/EJ

INDUSTRY 12 MONTH MOVING VOLUME



PHILIP MORRIS 12 MONTH MOVING VOLUME



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PHILIP MORRIS (Monthly Volume)

| | 1990 | | 1991 | | 1992 | | 1993 | | 1994 | |
|-----------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|
| | Volume | % Chg | Volume | % Chg | Volume | % Chg | Volume | % Chg | Volume | % Chg |
| January | 8,219 | -25.0 | 8,950 | 8.9 | 8,865 | -1.0 | 9,225 | 4.1 | 16,004 | 73.5 |
| February | 13,367 | 1.0 | 12,092 | -9.5 | 11,579 | -4.2 | 9,785 | -15.5 | 16,420 | 67.8 |
| March | 22,179 | 14.3 | 23,173 | 4.5 | 24,221 | 4.5 | 25,179 | 4.0 | 17,269 | -31.4 |
| April | 17,802 | 2.8 | 13,778 | -22.6 | 11,188 | -18.8 | 9,892 | -11.6 | 19,088 | 93.0 |
| May | 23,111 | -1.2 | 23,881 | 3.3 | 16,338 | -31.6 | 16,205 | -0.8 | 19,561 | 20.7 |
| June | 20,228 | -0.4 | 23,622 | 16.8 | 33,005 | 39.7 | 21,367 | -35.3 | 19,206 | -10.1 |
| July | 12,254 | 2.0 | 13,242 | 8.1 | 13,663 | 3.2 | 13,477 | -1.4 | 17,978 | 33.4 |
| August | 19,539 | 2.3 | 17,319 | -11.4 | 10,903 | -37.0 | 16,201 | 48.6 | 20,685 | 27.7 |
| September | 21,120 | -2.2 | 22,776 | 7.8 | 28,481 | 25.0 | 22,421 | -21.3 | 18,441 | -17.8 |
| October | 19,309 | 7.9 | 17,187 | -11.0 | 11,402 | -33.7 | 11,657 | 2.2 | 17,498 | 50.1 |
| November | 26,523 | 24.1 | 24,025 | -9.4 | 20,085 | -16.4 | 18,739 | -6.7 | 18,843 | 0.6 |
| December | 16,869 | -26.5 | 20,664 | 22.5 | 24,556 | 18.8 | 20,565 | -16.3 | 18,408 | -10.5 |
| (Average) | 18,377 | | 18,392 | | 17,857 | | 16,226 | | 18,283 | |

PHILIP MORRIS (Year to Date Volume)

| | 1990 | | 1991 | | 1992 | | 1993 | | 1994 | |
|-----------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|
| | Volume | % Chg | Volume | % Chg | Volume | % Chg | Volume | % Chg | Volume | % Chg |
| January | 8,219 | -25.0 | 8,950 | 8.9 | 8,865 | -1.0 | 9,225 | 4.1 | 16,004 | 73.5 |
| February | 21,586 | -10.7 | 21,042 | -2.5 | 20,443 | -2.8 | 19,010 | -7.0 | 32,423 | 70.6 |
| March | 43,764 | 0.4 | 44,215 | 1.0 | 44,664 | 1.0 | 44,189 | -1.1 | 49,692 | 12.5 |
| April | 61,566 | 1.1 | 57,992 | -5.8 | 55,852 | -3.7 | 54,081 | -3.2 | 68,781 | 27.2 |
| May | 84,677 | 0.4 | 81,873 | -3.3 | 72,191 | -11.8 | 70,286 | -2.6 | 88,341 | 25.7 |
| June | 104,905 | 0.3 | 105,496 | 0.6 | 105,195 | -0.3 | 91,653 | -12.9 | 107,547 | 17.3 |
| July | 117,159 | 0.4 | 118,738 | 1.3 | 118,858 | 0.1 | 105,130 | -11.6 | 125,525 | 19.4 |
| August | 136,698 | 0.7 | 136,057 | -0.5 | 129,761 | -4.6 | 121,331 | -6.5 | 146,210 | 20.5 |
| September | 157,818 | 0.3 | 158,832 | 0.6 | 158,242 | -0.4 | 143,753 | -9.2 | 164,651 | 14.5 |
| October | 177,128 | 1.1 | 176,020 | -0.6 | 169,644 | -3.6 | 155,410 | -8.4 | 182,148 | 17.2 |
| November | 203,651 | 3.6 | 200,044 | -1.8 | 189,729 | -5.2 | 174,149 | -8.2 | 200,991 | 15.4 |
| December | 220,520 | 0.4 | 220,708 | 0.1 | 214,285 | -2.9 | 194,715 | -9.1 | 219,400 | 12.7 |

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PHILIP MORRIS
(Three Month Moving Volume)

| | 1990 | | 1991 | | 1992 | | 1993 | | 1994 | |
|-----------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|
| | Volume | % Chg | Volume | % Chg | Volume | % Chg | Volume | % Chg | Volume | % Chg |
| January | 52,535 | -1.8 | 52,342 | -0.4 | 53,553 | 2.3 | 53,867 | 0.6 | 55,309 | 2.7 |
| February | 44,529 | 0.2 | 37,910 | -14.9 | 41,107 | 8.4 | 43,566 | 6.0 | 52,989 | 21.6 |
| March | 43,764 | 0.4 | 44,215 | 1.0 | 44,664 | 1.0 | 44,189 | -1.1 | 49,692 | 12.5 |
| April | 53,347 | 6.8 | 49,042 | -8.1 | 46,987 | -4.2 | 44,856 | -4.5 | 52,777 | 17.7 |
| May | 63,091 | 4.9 | 60,831 | -3.6 | 51,747 | -14.9 | 51,276 | -0.9 | 55,918 | 9.1 |
| June | 61,141 | 0.2 | 61,281 | 0.2 | 60,531 | -1.2 | 47,463 | -21.6 | 57,855 | 21.9 |
| July | 55,593 | -0.2 | 60,746 | 9.3 | 63,006 | 3.7 | 51,049 | -19.0 | 56,744 | 11.2 |
| August | 52,021 | 1.2 | 54,183 | 4.2 | 57,570 | 6.3 | 51,045 | -11.3 | 57,869 | 13.4 |
| September | 52,913 | 0.4 | 53,337 | 0.8 | 53,046 | -0.5 | 52,100 | -1.8 | 57,103 | 9.6 |
| October | 59,969 | 2.4 | 57,282 | -4.5 | 50,786 | -11.3 | 50,280 | -1.0 | 56,623 | 12.6 |
| November | 66,953 | 10.0 | 63,988 | -4.4 | 59,968 | -6.3 | 52,818 | -11.9 | 54,781 | 3.7 |
| December | 62,701 | 0.8 | 61,876 | -1.3 | 56,044 | -9.4 | 50,962 | -9.1 | 54,749 | 7.4 |

PHILIP MORRIS
(Twelve Month Moving Volume)

| | 1990 | | 1991 | | 1992 | | 1993 | | 1994 | |
|-----------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|
| | Volume | % Chg | Volume | % Chg | Volume | % Chg | Volume | % Chg | Volume | % Chg |
| January | 216,812 | -2.2 | 221,251 | 2.0 | 220,623 | -0.3 | 214,646 | -2.7 | 201,493 | -6.1 |
| February | 216,948 | -1.5 | 219,976 | 1.4 | 220,110 | 0.1 | 212,852 | -3.3 | 208,128 | -2.2 |
| March | 219,718 | 0.1 | 220,970 | 0.6 | 221,158 | 0.1 | 213,811 | -3.3 | 200,218 | -6.4 |
| April | 220,195 | -0.2 | 216,946 | -1.5 | 218,568 | 0.7 | 212,514 | -2.8 | 209,414 | -1.5 |
| May | 219,906 | 0.8 | 217,716 | -1.0 | 211,026 | -3.1 | 212,381 | 0.6 | 212,770 | 0.2 |
| June | 219,820 | 0.0 | 221,110 | 0.6 | 220,408 | -0.3 | 200,743 | -8.9 | 210,609 | 4.9 |
| July | 220,058 | 1.0 | 222,099 | 0.9 | 220,828 | -0.6 | 200,557 | -9.2 | 215,110 | 7.3 |
| August | 220,500 | 1.1 | 219,878 | -0.3 | 214,413 | -2.5 | 205,856 | -4.0 | 219,593 | 6.7 |
| September | 220,034 | 0.0 | 221,534 | 0.7 | 220,117 | -0.6 | 199,796 | -9.2 | 215,613 | 7.9 |
| October | 221,444 | 1.7 | 219,412 | -0.9 | 214,332 | -2.3 | 200,051 | -6.7 | 221,453 | 10.7 |
| November | 226,594 | 4.5 | 216,913 | -4.3 | 210,393 | -3.0 | 198,706 | -5.6 | 221,557 | 11.5 |
| December | 220,520 | 0.4 | 220,708 | 0.1 | 214,285 | -2.9 | 194,715 | -9.1 | 219,400 | 12.7 |

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PHILIP MORRIS - MSA

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% Change

| <u>1994</u> | <u>Monthly</u> | <u>3 Month Moving</u> | <u>Y-T-D</u> | <u>12 Month Moving</u> |
|--------------------|-----------------------|----------------------------------|---------------------|-----------------------------------|
| January | 4.1 | 0.6 | 4.1 | -2.7 |
| February | -15.5 | 6.0 | -7.0 | -3.3 |
| March | 4.0 | -1.1 | -1.1 | -3.3 |
| April | -11.6 | -4.5 | -3.2 | -2.8 |
| May | -0.8 | -0.9 | -2.6 | 0.6 |
| June | -35.3 | -21.6 | -12.9 | -8.9 |
| July | -1.4 | -19.0 | -11.6 | -9.2 |
| August | 48.6 | -11.3 | -6.5 | -4.0 |
| September | -21.3 | -1.8 | -9.2 | -9.2 |
| October | 2.2 | -1.0 | -8.4 | -6.7 |
| November | -6.7 | -11.9 | -8.2 | -5.6 |
| December | -16.3 | -9.1 | -9.1 | -9.1 |
| <u>1995</u> | | | | |
| January | 73.5 | 2.7 | 73.5 | -6.1 |
| February | 67.8 | 21.6 | 70.6 | -2.2 |
| March | -31.4 | 12.5 | 12.5 | -6.4 |
| April | 93.0 | 17.7 | 27.2 | -1.5 |
| May | 20.7 | 9.1 | 25.7 | 0.2 |
| June | -10.1 | 21.9 | 17.3 | 4.9 |
| July | 33.4 | 11.2 | 19.4 | 7.3 |
| August | 27.7 | 13.4 | 20.5 | 6.7 |
| September | -17.8 | 9.6 | 14.5 | 7.9 |
| October | 50.1 | 12.6 | 17.2 | 10.7 |
| November | 0.6 | 3.7 | 15.4 | 11.5 |
| December | -10.5 | 7.4 | 12.7 | 12.7 |

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TOTAL INDUSTRY (Monthly Volume)

| | 1990 | | 1991 | | 1992 | | 1993 | | 1994 | |
|-----------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|
| | Volume | % Chg | Volume | % Chg | Volume | % Chg | Volume | % Chg | Volume | % Chg |
| January | 26,364 | 18.0 | 26,051 | -1.2 | 25,969 | -0.3 | 24,129 | -7.1 | 36,689 | 52.1 |
| February | 32,659 | 12.0 | 30,066 | -7.9 | 30,575 | 1.7 | 28,299 | -7.4 | 37,528 | 32.6 |
| March | 47,748 | -16.4 | 48,745 | 2.1 | 50,756 | 4.1 | 53,921 | 6.2 | 41,078 | -23.8 |
| April | 43,555 | 17.8 | 35,491 | -18.5 | 33,074 | -6.8 | 26,995 | -18.4 | 40,776 | 51.1 |
| May | 52,541 | -4.7 | 53,000 | 0.9 | 38,354 | -27.6 | 40,743 | 6.2 | 42,550 | 4.4 |
| June | 46,173 | -19.7 | 48,992 | 6.1 | 63,135 | 28.9 | 46,461 | -26.4 | 43,544 | -6.3 |
| July | 35,618 | 33.1 | 33,989 | -4.6 | 37,575 | 10.5 | 35,723 | -4.9 | 39,596 | 10.8 |
| August | 46,290 | 11.4 | 42,869 | -7.4 | 32,712 | -23.7 | 38,652 | 18.2 | 46,124 | 19.3 |
| September | 46,153 | -1.2 | 48,904 | 6.0 | 57,434 | 17.4 | 46,532 | -19.0 | 41,603 | -10.6 |
| October | 47,447 | 1.3 | 44,240 | -6.8 | 35,971 | -18.7 | 33,073 | -8.1 | 38,342 | 15.9 |
| November | 55,135 | 8.9 | 47,944 | -13.0 | 46,204 | -3.6 | 42,648 | -7.7 | 40,458 | -5.1 |
| December | 42,127 | -20.4 | 48,925 | 16.1 | 55,272 | 13.0 | 44,105 | -20.2 | 41,401 | -6.1 |
| (Average) | 43,484 | | 42,435 | | 42,253 | | 38,440 | | 40,807 | |

TOTAL INDUSTRY (Year to Date Volume)

| | 1990 | | 1991 | | 1992 | | 1993 | | 1994 | |
|-----------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|
| | Volume | % Chg | Volume | % Chg | Volume | % Chg | Volume | % Chg | Volume | % Chg |
| January | 26,364 | 18.0 | 26,051 | -1.2 | 25,969 | -0.3 | 24,129 | -7.1 | 36,689 | 52.1 |
| February | 59,023 | 14.6 | 56,117 | -4.9 | 56,543 | 0.8 | 52,428 | -7.3 | 74,217 | 41.6 |
| March | 106,771 | -1.7 | 104,862 | -1.8 | 107,299 | 2.3 | 106,349 | -0.9 | 115,295 | 8.4 |
| April | 150,326 | 3.3 | 140,353 | -6.6 | 140,373 | 0.0 | 133,344 | -5.0 | 156,072 | 17.0 |
| May | 202,867 | 1.1 | 193,353 | -4.7 | 178,727 | -7.6 | 174,086 | -2.6 | 198,622 | 14.1 |
| June | 249,040 | -3.5 | 242,345 | -2.7 | 241,862 | -0.2 | 220,547 | -8.8 | 242,166 | 9.8 |
| July | 284,658 | -0.1 | 276,334 | -2.9 | 279,437 | 1.1 | 256,270 | -8.3 | 281,762 | 9.9 |
| August | 330,948 | 1.4 | 319,203 | -3.5 | 312,149 | -2.2 | 294,923 | -5.5 | 327,886 | 11.2 |
| September | 377,101 | 1.0 | 368,107 | -2.4 | 369,583 | 0.4 | 341,455 | -7.6 | 369,489 | 8.2 |
| October | 424,549 | 1.1 | 412,347 | -2.9 | 405,554 | -1.6 | 374,528 | -7.7 | 407,831 | 8.9 |
| November | 479,684 | 1.9 | 460,292 | -4.0 | 451,759 | -1.9 | 417,176 | -7.7 | 448,289 | 7.5 |
| December | 521,811 | -0.3 | 509,216 | -2.4 | 507,030 | -0.4 | 461,281 | -9.0 | 489,689 | 6.2 |

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TOTAL INDUSTRY (Three Month Moving Volume)

| | 1990 | | 1991 | | 1992 | | 1993 | | 1994 | |
|-----------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|
| | Volume | % Chg | Volume | % Chg | Volume | % Chg | Volume | % Chg | Volume | % Chg |
| January | 129,885 | -7.3 | 123,313 | -5.1 | 122,838 | -0.4 | 125,605 | 2.3 | 123,442 | -1.7 |
| February | 111,932 | -1.7 | 98,245 | -12.2 | 105,468 | 7.4 | 107,700 | 2.1 | 118,322 | 9.9 |
| March | 106,771 | -1.7 | 104,862 | -1.8 | 107,299 | 2.3 | 106,349 | -0.9 | 115,295 | 8.4 |
| April | 123,962 | 0.6 | 114,302 | -7.8 | 114,404 | 0.1 | 109,214 | -4.5 | 119,383 | 9.3 |
| May | 143,844 | -3.6 | 137,236 | -4.6 | 122,184 | -11.0 | 121,658 | -0.4 | 124,405 | 2.3 |
| June | 142,269 | -4.9 | 137,483 | -3.4 | 134,563 | -2.1 | 114,199 | -15.1 | 126,871 | 11.1 |
| July | 134,332 | -3.6 | 135,981 | 1.2 | 139,064 | 2.3 | 122,927 | -11.6 | 125,690 | 2.2 |
| August | 128,081 | 1.8 | 125,850 | -1.7 | 133,422 | 6.0 | 120,836 | -9.4 | 129,264 | 7.0 |
| September | 128,061 | 11.3 | 125,762 | -1.8 | 127,721 | 1.6 | 120,908 | -5.3 | 127,323 | 5.3 |
| October | 139,891 | 3.5 | 136,013 | -2.8 | 126,117 | -7.3 | 118,258 | -6.2 | 126,069 | 6.6 |
| November | 148,736 | 3.2 | 141,088 | -5.1 | 139,610 | -1.0 | 122,253 | -12.4 | 120,403 | -1.5 |
| December | 144,710 | -3.7 | 141,109 | -2.5 | 137,447 | -2.6 | 119,826 | -12.8 | 120,201 | 0.3 |

TOTAL INDUSTRY (Twelve Month Moving Volume)

| | 1990 | | 1991 | | 1992 | | 1993 | | 1994 | |
|-----------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|
| | Volume | % Chg | Volume | % Chg | Volume | % Chg | Volume | % Chg | Volume | % Chg |
| January | 527,611 | -5.6 | 521,498 | -1.2 | 509,134 | -2.4 | 505,191 | -0.8 | 473,841 | -6.2 |
| February | 531,110 | -4.2 | 518,905 | -2.3 | 509,642 | -1.8 | 502,915 | -1.3 | 483,070 | -3.9 |
| March | 521,777 | -5.9 | 519,902 | -0.4 | 511,654 | -1.6 | 506,080 | -1.1 | 470,228 | -7.1 |
| April | 528,370 | -5.0 | 511,838 | -3.1 | 509,236 | -0.5 | 500,001 | -1.8 | 484,009 | -3.2 |
| May | 525,776 | -4.3 | 512,297 | -2.6 | 494,590 | -3.5 | 502,390 | 1.6 | 485,817 | -3.3 |
| June | 514,440 | -6.1 | 515,116 | 0.1 | 508,733 | -1.2 | 485,716 | -4.5 | 482,900 | -0.6 |
| July | 523,289 | -4.1 | 513,488 | -1.9 | 512,319 | -0.2 | 483,863 | -5.6 | 486,773 | 0.6 |
| August | 528,010 | -2.7 | 510,066 | -3.4 | 502,162 | -1.5 | 489,804 | -2.5 | 494,244 | 0.9 |
| September | 527,445 | -0.9 | 512,817 | -2.8 | 510,692 | -0.4 | 478,902 | -6.2 | 489,315 | 2.2 |
| October | 528,069 | -1.8 | 509,609 | -3.5 | 502,424 | -1.4 | 476,004 | -5.3 | 494,584 | 3.9 |
| November | 532,593 | -0.1 | 502,419 | -5.7 | 500,684 | -0.3 | 472,448 | -5.6 | 492,394 | 4.2 |
| December | 521,811 | -0.3 | 509,216 | -2.4 | 507,030 | -0.4 | 461,281 | -9.0 | 489,689 | 6.2 |

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INDUSTRY - MSA
% Change

| <u>1994</u> | <u>Monthly</u> | <u>3 Month Moving</u> | <u>Y-T-D</u> | <u>12 Month Moving</u> |
|-------------|----------------|---------------------------|--------------|----------------------------|
| January | -7.1 | 2.3 | -7.1 | -0.8 |
| February | -7.4 | 2.1 | -7.3 | -1.3 |
| March | 6.2 | -0.9 | -0.9 | -1.1 |
| April | -18.4 | -4.5 | -5.0 | -1.8 |
| May | 6.2 | -0.4 | -2.6 | 1.6 |
| June | -26.4 | -15.1 | -8.8 | -4.5 |
| July | -4.9 | -11.6 | -8.3 | -5.6 |
| August | 18.2 | -9.4 | -5.5 | -2.5 |
| September | -19.0 | -5.3 | -7.6 | -6.2 |
| October | -8.1 | -6.2 | -7.7 | -5.3 |
| November | -7.7 | -12.4 | -7.7 | -5.6 |
| December | -20.2 | -12.8 | -9.0 | -9.0 |
| <u>1995</u> | | | | |
| January | 52.1 | -1.7 | 52.1 | -6.2 |
| February | 32.6 | 9.9 | 41.6 | -3.9 |
| March | -23.8 | 8.4 | 8.4 | -7.1 |
| April | 51.1 | 9.3 | 17.0 | -3.2 |
| May | 4.4 | 2.3 | 14.1 | -3.3 |
| June | -6.3 | 11.1 | 9.8 | -0.6 |
| July | 10.8 | 2.2 | 9.9 | 0.6 |
| August | 19.3 | 7.0 | 11.2 | 0.9 |
| September | -10.6 | 5.3 | 8.2 | 2.2 |
| October | 15.9 | 6.6 | 8.9 | 3.9 |
| November | -5.1 | -1.5 | 7.5 | 4.2 |
| December | -6.1 | 0.3 | 6.2 | 6.2 |

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PHILIP MORRIS MARKET SHARE AND SHARE DIFFERENCE (Monthly Shares)

| | 1990 | | | 1991 | | | 1992 | | | 1993 | | | 1994 | | |
|-----------|--------|--------|--|--------|-------|--|--------|-------|--|--------|-------|--|--------|-------|--|
| | Volume | % Chg | | Volume | % Chg | | Volume | % Chg | | Volume | % Chg | | Volume | % Chg | |
| January | 31.17 | -17.85 | | 34.36 | 3.18 | | 34.14 | -0.22 | | 38.23 | 4.10 | | 43.62 | 5.39 | |
| February | 40.93 | -4.44 | | 40.22 | -0.71 | | 37.87 | -2.35 | | 34.58 | -3.29 | | 43.75 | 9.18 | |
| March | 46.45 | 12.45 | | 47.54 | 1.09 | | 47.72 | 0.18 | | 46.70 | -1.02 | | 42.04 | -4.66 | |
| April | 40.87 | -6.00 | | 38.82 | -2.05 | | 33.83 | -4.99 | | 36.64 | 2.82 | | 46.81 | 10.17 | |
| May | 43.99 | 1.55 | | 45.06 | 1.07 | | 42.60 | -2.46 | | 39.77 | -2.83 | | 45.97 | 6.20 | |
| June | 43.81 | 8.49 | | 48.22 | 4.41 | | 52.28 | 4.06 | | 45.99 | -6.29 | | 44.11 | -1.88 | |
| July | 34.40 | -10.48 | | 38.96 | 4.56 | | 36.36 | -2.60 | | 37.73 | 1.37 | | 45.40 | 7.68 | |
| August | 42.21 | -3.73 | | 40.40 | -1.81 | | 33.33 | -7.07 | | 41.92 | 8.59 | | 44.85 | 2.93 | |
| September | 45.76 | -0.45 | | 46.57 | 0.81 | | 49.59 | 3.02 | | 48.18 | -1.40 | | 44.33 | -3.86 | |
| October | 40.70 | 2.47 | | 38.85 | -1.85 | | 31.70 | -7.15 | | 35.25 | 3.55 | | 45.64 | 10.39 | |
| November | 48.11 | 5.88 | | 50.11 | 2.00 | | 43.47 | -6.64 | | 43.94 | 0.47 | | 46.57 | 2.63 | |
| December | 40.04 | -3.32 | | 42.24 | 2.19 | | 44.43 | 2.19 | | 46.63 | 2.20 | | 44.46 | -2.16 | |
| (Average) | 41.54 | | | 42.61 | | | 40.61 | | | 41.30 | | | 44.80 | | |

PHILIP MORRIS MARKET SHARE AND SHARE DIFFERENCE (Year to Date)

| | 1990 | | | 1991 | | | 1992 | | | 1993 | | | 1994 | | |
|-----------|--------|--------|--|--------|-------|--|--------|-------|--|--------|-------|--|--------|-------|--|
| | Volume | % Chg | | Volume | % Chg | | Volume | % Chg | | Volume | % Chg | | Volume | % Chg | |
| January | 31.17 | -17.85 | | 34.36 | 3.18 | | 34.14 | -0.22 | | 38.23 | 4.10 | | 43.62 | 5.39 | |
| February | 36.57 | -10.38 | | 37.50 | 0.92 | | 36.16 | -1.34 | | 36.26 | 0.10 | | 43.69 | 7.43 | |
| March | 40.99 | 0.84 | | 42.16 | 1.18 | | 41.63 | -0.54 | | 41.55 | -0.07 | | 43.10 | 1.55 | |
| April | 40.95 | -0.90 | | 41.32 | 0.36 | | 39.79 | -1.53 | | 40.56 | 0.77 | | 44.07 | 3.51 | |
| May | 41.74 | -0.27 | | 42.34 | 0.60 | | 40.39 | -1.95 | | 40.37 | -0.02 | | 44.48 | 4.10 | |
| June | 42.12 | 1.60 | | 43.53 | 1.41 | | 43.49 | -0.04 | | 41.56 | -1.94 | | 44.41 | 2.85 | |
| July | 41.16 | 0.22 | | 42.97 | 1.81 | | 42.53 | -0.43 | | 41.02 | -1.51 | | 44.55 | 3.53 | |
| August | 41.30 | -0.27 | | 42.62 | 1.32 | | 41.57 | -1.05 | | 41.14 | -0.43 | | 44.59 | 3.45 | |
| September | 41.85 | -0.30 | | 43.15 | 1.30 | | 42.82 | -0.33 | | 42.10 | -0.72 | | 44.56 | 2.46 | |
| October | 41.72 | 0.01 | | 42.69 | 0.97 | | 41.83 | -0.86 | | 41.49 | -0.34 | | 44.66 | 3.17 | |
| November | 42.46 | 0.69 | | 43.46 | 1.01 | | 42.00 | -1.46 | | 41.74 | -0.25 | | 44.84 | 3.09 | |
| December | 42.26 | 0.33 | | 43.34 | 1.08 | | 42.26 | -1.08 | | 42.21 | -0.05 | | 44.80 | 2.59 | |

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PHILIP MORRIS MARKET SHARE AND SHARE DIFFERENCE
(Three Month Moving)

| | 1990 | | 1991 | | 1992 | | 1993 | | 1994 | |
|-----------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | <u>Volume</u> | <u>% Chg</u> | <u>Volume</u> | <u>% Chg</u> | <u>Volume</u> | <u>% Chg</u> | <u>Volume</u> | <u>% Chg</u> | <u>Volume</u> | <u>% Chg</u> |
| January | 40.45 | 2.28 | 42.45 | 2.00 | 43.60 | 1.15 | 42.89 | -0.71 | 44.81 | 1.92 |
| February | 39.78 | 0.78 | 38.59 | -1.19 | 38.98 | 0.39 | 40.45 | 1.48 | 44.78 | 4.33 |
| March | 40.99 | 0.84 | 42.16 | 1.18 | 41.63 | -0.54 | 41.55 | -0.07 | 43.10 | 1.55 |
| April | 43.04 | 2.48 | 42.91 | -0.13 | 41.07 | -1.83 | 41.07 | 0.00 | 44.21 | 3.14 |
| May | 43.86 | 3.55 | 44.33 | 0.47 | 42.35 | -1.97 | 42.15 | -0.20 | 44.95 | 2.80 |
| June | 42.98 | 2.18 | 44.57 | 1.60 | 44.98 | 0.41 | 41.56 | -3.42 | 45.60 | 4.04 |
| July | 41.38 | 1.41 | 44.67 | 3.29 | 45.31 | 0.63 | 41.53 | -3.78 | 45.15 | 3.62 |
| August | 40.62 | -0.25 | 43.05 | 2.44 | 43.15 | 0.10 | 42.24 | -0.91 | 44.77 | 2.52 |
| September | 41.32 | -4.49 | 42.41 | 1.09 | 41.53 | -0.88 | 43.09 | 1.56 | 44.85 | 1.76 |
| October | 42.87 | -0.49 | 42.11 | -0.75 | 40.27 | -1.85 | 42.52 | 2.25 | 44.91 | 2.40 |
| November | 45.01 | 2.80 | 45.35 | 0.34 | 42.95 | -2.40 | 43.20 | 0.25 | 45.50 | 2.29 |
| December | 43.33 | 1.95 | 43.85 | 0.52 | 40.77 | -3.07 | 42.53 | 1.76 | 45.55 | 3.02 |

PHILIP MORRIS MARKET SHARE AND SHARE DIFFERENCE
(Twelve Month Moving)

| | 1990 | | 1991 | | 1992 | | 1993 | | 1994 | |
|-----------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | <u>Volume</u> | <u>% Chg</u> | <u>Volume</u> | <u>% Chg</u> | <u>Volume</u> | <u>% Chg</u> | <u>Volume</u> | <u>% Chg</u> | <u>Volume</u> | <u>% Chg</u> |
| January | 41.09 | 1.41 | 42.43 | 1.33 | 43.33 | 0.91 | 42.49 | -0.84 | 42.52 | 0.04 |
| February | 40.85 | 1.12 | 42.39 | 1.54 | 43.19 | 0.80 | 42.32 | -0.87 | 43.08 | 0.76 |
| March | 42.11 | 2.53 | 42.50 | 0.39 | 43.22 | 0.72 | 42.25 | -0.98 | 42.58 | 0.33 |
| April | 41.67 | 2.03 | 42.39 | 0.71 | 42.92 | 0.54 | 42.50 | -0.42 | 43.27 | 0.76 |
| May | 41.83 | 2.14 | 42.50 | 0.67 | 42.67 | 0.17 | 42.27 | -0.39 | 43.80 | 1.52 |
| June | 42.73 | 2.61 | 42.92 | 0.19 | 43.32 | 0.40 | 41.33 | -2.00 | 43.61 | 2.28 |
| July | 42.05 | 2.15 | 43.25 | 1.20 | 43.10 | -0.15 | 41.45 | -1.65 | 44.19 | 2.74 |
| August | 41.76 | 1.59 | 43.11 | 1.35 | 42.70 | -0.41 | 42.03 | -0.67 | 44.43 | 2.40 |
| September | 41.72 | 0.39 | 43.20 | 1.48 | 43.10 | -0.10 | 41.72 | -1.38 | 44.06 | 2.34 |
| October | 41.93 | 1.45 | 43.05 | 1.12 | 42.66 | -0.40 | 42.03 | -0.63 | 44.78 | 2.75 |
| November | 42.55 | 1.87 | 43.17 | 0.63 | 42.02 | -1.15 | 42.06 | 0.04 | 45.00 | 2.94 |
| December | 42.26 | 0.33 | 43.34 | 1.08 | 42.26 | -1.08 | 42.21 | -0.05 | 44.80 | 2.59 |

8919200902

MARKETING RESEARCH DEPARTMENT
INDUSTRY VOLUME BASED ON M.S.A. DATA
(000,000)

| MONTH | | | | | | YEAR-TO-DATE | | | | | |
|-------------|---------|---------|-------|-------------------|-----------|--------------|---------|------|-------------------|-----------|--|
| Industry | | | P.M. | | | Industry | | | P.M. | | |
| 1993 | Volume | %Change | | Share Chg. vs. | | Volume | %Change | | Share Chg. vs. | | |
| | | Act. | Adj. | Share | Lst. Year | | Act. | Adj. | Share | Lst. Year | |
| January | 24,129 | -7.1 | 1.0 | 38.23 | 4.10 | 24,129 | -7.1 | 1.0 | 38.23 | 4.10 | |
| February | 28,299 | -7.4 | -7.4 | 34.58 | -3.29 | 52,428 | -7.3 | -3.1 | 36.26 | 0.10 | |
| March | 53,921 | 6.2 | 1.8 | 46.70 | -1.02 | 106,349 | -0.9 | 0.5 | 41.55 | -0.07 | |
| 1st Qtr | 106,349 | -0.9 | 0.5 | 41.55 | -0.07 | | | | | | |
| April | 26,995 | -18.4 | -18.5 | 36.64 | 2.82 | 133,344 | -5.0 | -4.1 | 40.56 | 0.77 | |
| May | 40,743 | 6.2 | 7.4 | 39.77 | -2.83 | 174,086 | -2.6 | -1.6 | 40.37 | -0.02 | |
| June | 46,461 | -26.4 | -27.5 | 45.99 | -6.29 | 220,547 | -8.8 | -8.3 | 41.56 | -1.94 | |
| 2nd Qtr | 114,199 | -15.1 | -15.3 | 41.56 | -3.42 | | | | | | |
| July | 35,723 | -4.9 | -0.2 | 37.73 | 1.37 | 256,270 | -8.3 | -7.2 | 41.02 | -1.51 | |
| August | 38,652 | 18.2 | 12.8 | 41.92 | 8.59 | 294,923 | -5.5 | -5.1 | 41.14 | -0.43 | |
| September | 46,532 | -19.0 | -18.5 | 48.18 | -1.40 | 341,455 | -7.6 | -7.2 | 42.10 | -0.72 | |
| 3rd Qtr | 120,908 | -5.3 | -5.0 | 43.09 | 1.56 | | | | | | |
| October | 33,073 | -8.1 | -4.2 | 35.25 | 3.55 | 374,528 | -7.7 | -6.9 | 41.49 | -0.34 | |
| November | 42,648 | -7.7 | -13.0 | 43.94 | 0.47 | 417,176 | -7.7 | -7.4 | 41.74 | -0.25 | |
| December | 44,105 | -20.2 | -19.1 | 46.63 | 2.20 | 461,281 | -9.0 | -8.7 | 42.21 | -0.05 | |
| 4th Qtr | 119,826 | -12.8 | -13.0 | 42.53 | 1.76 | | | | | | |
| 1994 | | | | | | | | | | | |
| January | 36,689 | 52.1 | 50.2 | 43.62 | 5.39 | 36,689 | 52.1 | 50.2 | 43.62 | 5.39 | |
| February | 37,528 | 32.6 | 32.6 | 43.75 | 9.18 | 74,217 | 41.6 | 40.7 | 43.69 | 7.43 | |
| March | 41,078 | -23.8 | -24.8 | 42.04 | -4.66 | 115,295 | 8.4 | 7.5 | 43.10 | 1.55 | |
| 1st Qtr | 115,295 | 8.4 | 7.5 | 43.10 | 1.55 | | | | | | |
| April | 40,776 | 51.1 | 62.5 | 46.81 | 10.17 | 156,072 | 17.0 | 18.4 | 44.07 | 3.51 | |
| May | 42,550 | 4.4 | -1.2 | 45.97 | 6.20 | 198,622 | 14.1 | 13.9 | 44.48 | 4.10 | |
| June | 43,544 | -6.3 | -6.7 | 44.11 | -1.88 | 242,166 | 9.8 | 9.5 | 44.41 | 2.85 | |
| 2nd Qtr | 126,871 | 11.1 | 11.5 | 45.60 | 4.04 | | | | | | |
| July | 39,596 | 10.8 | 17.8 | 45.40 | 7.68 | 281,762 | 9.9 | 10.7 | 44.55 | 3.53 | |
| August | 46,124 | 19.3 | 13.3 | 44.85 | 2.93 | 327,886 | 11.2 | 11.1 | 44.59 | 3.45 | |
| September | 41,603 | -10.6 | -9.8 | 44.33 | -3.86 | 369,489 | 8.2 | 8.2 | 44.56 | 2.46 | |
| 3rd Qtr | 127,323 | 5.3 | 5.8 | 44.85 | 1.76 | | | | | | |
| October | 38,342 | 15.9 | 14.5 | 45.64 | 10.39 | 407,831 | 8.9 | 8.8 | 44.66 | 3.17 | |
| November | 40,458 | -5.1 | -2.8 | 46.57 | 2.63 | 448,289 | 7.5 | 7.6 | 44.84 | 3.09 | |
| December | 41,401 | -6.1 | -3.1 | 44.46 | -2.16 | 489,689 | 6.2 | 6.6 | 44.80 | 2.59 | |
| 4th Qtr | 120,201 | 0.3 | 1.8 | 45.55 | 3.02 | | | | | | |

11-Jan-95

**ADJUSTED VOLUME PERCENT CHANGE
DEC 1994 - Based on MSA Total US Database**

| | | | <u>INDUSTRY</u> | | | | <u>PHILIP MORRIS</u> | | | |
|------------------|------|---------------|-----------------|-----------------|--------------|------------------|----------------------|-----------------|--------------|------------------|
| | | <u>FACTOR</u> | <u>ACTUAL</u> | <u>ADJUSTED</u> | <u>% CHG</u> | <u>ADJ % CHG</u> | <u>ACTUAL</u> | <u>ADJUSTED</u> | <u>% CHG</u> | <u>ADJ % CHG</u> |
| 12 MONTHS | 1994 | 52.000 | 489,689 | 9,417 | 6.16% | 6.56% | 219,400 | 4,219 | 12.68% | 13.10% |
| | 1993 | 52.196 | 461,281 | 8,837 | | | 194,715 | 3,730 | | |
| 3 MONTHS | 1994 | 13.000 | 120,201 | 9,246 | 0.31% | 1.82% | 54,749 | 4,211 | 7.43% | 9.05% |
| | 1993 | 13.196 | 119,826 | 9,080 | | | 50,962 | 3,862 | | |
| Y-T-D | 1994 | 52.000 | 489,689 | 9,417 | 6.16% | 6.56% | 219,400 | 4,219 | 12.68% | 13.10% |
| | 1993 | 52.196 | 461,281 | 8,837 | | | 194,715 | 3,730 | | |
| DEC | 1994 | 4.352 | 41,401 | 9,513 | -6.13% | -3.11% | 18,408 | 4,230 | -10.49% | -7.61% |
| | 1993 | 4.492 | 44,105 | 9,819 | | | 20,565 | 4,578 | | |

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